



**DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL) CONSOLIDATION LOAN
COSIGNER CREDIT APPLICATION AND PROMISSORY NOTE**
BANK OF NORTH DAKOTA
STUDENT LOAN SERVICES
SFN 58604 (04-2008)

PLEASE MAIL COMPLETED APPLICATION TO:													
Bank of North Dakota PO Box 5509, Bismarck, ND 58506-5509 1-800-472-2166 ext. 5763 (1-800-643-3916 TDD) <u>mystudentloanonline.nd.gov</u>													
<div style="float:right; border: 1px solid black; padding: 2px;"><div style="text-align: center; font-size: small;">LENDER USE ONLY</div><table style="width:100%"><tr><td style="width:50%">Approved <input type="checkbox"/></td><td style="width:50%">Date</td></tr><tr><td>Denied <input type="checkbox"/></td><td>Initials</td></tr></table></div>										Approved <input type="checkbox"/>	Date	Denied <input type="checkbox"/>	Initials
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Denied <input type="checkbox"/>	Initials												
WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to criminal penalties.													
BORROWER INFORMATION (from DEAL Consolidation Loan Application and Promissory Note)													
1. Last Name			First Name		Middle Initial		2. Date of Birth (mm/dd/yyyy)		3. Date Borrower Signed Promissory Note (mm/dd/yyyy)				
COSIGNER INFORMATION (Please print neatly or type. Read the instructions carefully.)													
4. Last Name			First Name		Middle Initial		5. Social Security Number		6. Date of Birth (mm/dd/yyyy)				
7. Permanent Street Address (if P.O. Box, see instructions)							7a. City		7b. State	7c. Zip Code			
8. Home Telephone Number ()			9. Cell Telephone Number ()			10. Driver's License Number State: #:							
11. E-mail Address													
12. U.S. Citizenship Status <input type="checkbox"/> a. Citizen <input type="checkbox"/> b. Eligible Non-Citizen (If b. is checked, list Alien ID # _____ and provide copy of card.)													
13. Consolidation Loan Amount Requested by Borrower \$							14. Relationship to Borrower						
15. Employer Name													
16. Employer Street Address							16a. City		16b. State	16c. Zip Code			
17. Employer Telephone Number ()							18. Position						
19. REFERENCES REQUIRED - COSIGNER MUST LIST 3 REFERENCES WHO ARE FRIENDS OR RELATIVES NOT LIVING WITH YOU													
Reference Name				Reference Name				Reference Name					
Street Address				Street Address				Street Address					
City		State	Zip Code	City		State	Zip Code	City		State	Zip Code		
E-mail Address				E-mail Address				E-mail Address					
Telephone Number ()				Telephone Number ()				Telephone Number ()					
Relationship to Cosigner				Relationship to Cosigner				Relationship to Cosigner					
<p>COSIGNER PROMISE TO PAY: Although I will not personally receive any loan proceeds, I promise to repay the full amount of this debt, including unpaid principal, accrued interest, late fees, and/or collection costs, if, upon demand by the lender/holder of the Promissory Note executed by the borrower, the borrower fails to repay the debt. I understand that the lender/holder can use the same collection methods against me that can be used against the borrower. I understand that this is a Promissory Note. I will not sign this Cosigner DEAL Consolidation Loan Credit Application and Promissory Note before reading it, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of the Cosigner DEAL Consolidation Loan Credit Application and Promissory Note, as applicable. Under penalty of perjury, I certify that the information contained on the Cosigner DEAL Consolidation Loan Credit Application and Promissory Note is true and accurate. I authorize the lender, or its agent, to investigate my credit record and report information concerning my credit to the proper persons and organizations. I understand that this debt will become part of my credit record.</p> <p>I UNDERSTAND THAT THIS IS A LOAN THAT I MUST REPAY IF THE BORROWER DOES NOT.</p> <p>20. Cosigner Signature _____ Date (mm/dd/yyyy) _____</p>													

INSTRUCTIONS FOR COMPLETING THE DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL) CONSOLIDATION LOAN CREDIT APPLICATION AND PROMISSORY NOTE

*(In order to approve the DEAL Consolidation Loan, the borrower must demonstrate good credit.
If the borrower is not creditworthy, then a creditworthy cosigner must complete this credit application.)*

PROGRAM REQUIREMENTS

- a) All borrowers less than 24 years of age are required to have a creditworthy cosigner;
- b) Borrowers who are at least 24 years of age may apply for the DEAL Consolidation Loan based on their creditworthiness. If found to be not creditworthy, then a creditworthy cosigner is required.

CREDITWORTHINESS

A credit score of at least 700 is considered to be creditworthy. Credit applicants with a score of 575 to 699 will be reviewed for a clear credit history, and may be eligible for the DEAL Consolidation Loan.

BORROWER INFORMATION SECTION

Item 1: Enter the last name, then first name and middle initial of the borrower for whom the DEAL Consolidation Loan is sought.

Item 2: Enter the borrower's date of birth (mm/dd/yyyy).

Item 3: Enter the date that the borrower signed the DEAL Consolidation Loan Application and Promissory Note (refer to Item 24 of the DEAL Consolidation Loan Application and Promissory Note). Use only numbers in month/day/year sequence.

COSIGNER INFORMATION SECTION

(This section is completed by the cosigner.)

Item 4: Enter your last name, your first name, and middle initial.

Item 5: Enter your Social Security Number. A cosigner's Social Security Number is required to process the loan application.

Item 6: Enter your date of birth (mm/dd/yyyy).

Item 7-7c: Enter your permanent street address, including apartment number, if applicable, and city, state, and zip code. (If you have a Post Office Box and a street address, you must list both.)

Item 8: Enter your home area code and telephone number. If you have no telephone, enter N/A.

Item 9: Enter your cell telephone number, including area code. If you have no cell phone, enter N/A.

Item 10: Enter your current driver's license number, listing the state abbreviation that issued this license, followed by the number. If you do not have a valid driver's license, enter N/A.

Item 11: Enter your e-mail address if applicable.

Item 12: Check the appropriate citizenship status. If you are a permanent resident alien with an Alien Registration Card (Form I-15 or I-1551), enter your Alien ID number and attach a copy of your Alien Registration Card.

Item 13: Enter the amount that the borrower has requested on the Borrower DEAL Consolidation Loan Application and Promissory Note.

Item 14: List your relationship to the borrower.

Item 15-18: Enter your:

- (15)** place of employment
- (16-16c)** employer's address, city, state, and zip code
- (17)** employer's telephone number
- (18)** your position with the employer

Item 19: Enter the required information for three adult references with different United States addresses. References with addresses outside the U.S. will not be accepted. Please do not list a spouse, business, instructor/coach, or clergyman as a reference. References must include telephone numbers. E-mail addresses are optional, but appreciated.

Item 20: Sign your full name, including your first, middle initial and last name. Enter the date you are signing the Credit Application and Promissory Note. By signing, you acknowledge that you have read, understand, and agree to the provisions in the Cosigner Promise to Pay, Borrower Certification and Authorization section, the Promissory Note, and the statement of Borrower's Rights and Responsibilities. Please keep a copy of the Credit Application for your records.

PROMISSORY NOTE (continued)**Disclosure of Terms**

This Note applies to the Dakota Education Alternative Loan (DEAL) Consolidation loan. I agree that the lender or any subsequent holder may sell or transfer my loan. At or before the time of my first disbursement, the lender will send me a disclosure statement identifying additional terms of the loan. Important additional information is also disclosed in the statement of Borrower's Rights and Responsibilities accompanying this Note.

Information concerning the amount, disbursement, and repayment of my loan will be reported to one or more national credit bureau organizations.

Interest

I must choose between a fixed or variable interest rate option. **If I choose a fixed rate**, the interest rate will be set on the day my loan is first disbursed and remains the same until my loan is paid in full.

If all underlying loans are at a fixed rate, the weighted average interest rate of all underlying loans is used to calculate the new fixed interest rate rounded up to the nearest 1/8 of one percent unless the rate is already a multiple of 1/8 of one percent.

If all underlying loans are at a variable rate, the fixed rate in effect on the date your Consolidation application is received in our office, is used to calculate the new fixed interest rate rounded up to the nearest 1/8 of one percent unless the rate is already a multiple of 1/8 of one percent.

If the rates of your loans being consolidated are fixed and variable, the interest rate is calculated by converting the variable loans to the fixed rate in effect on the date the Consolidation application is received in our office. The fixed rate loans will use the interest rate that was assigned on the date the underlying loan was originally disbursed. Finally, the weighted average interest rate is calculated using the recalculated rates above rounded up to the nearest 1/8 of one percent, unless the rate is already a multiple of 1/8 of one percent.

If I choose a variable rate, all of the loans being consolidated (fixed or variable), will use the variable rate that is in effect on the date the Consolidation application is received. The interest rate will change as interest rates decrease or increase throughout the life of the loan. The interest rate has no minimum or maximum limit. Current interest rates are listed at mystudentloanonline.nd.gov or call 1-800-472-2166 ext. 5763.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement by the lender until the entire principal balance is paid in full. I agree to pay all interest charges on my DEAL Consolidation Loan.

Administrative Fee

If I am including a non-DEAL private loan, I will pay an administrative fee in an amount identified in the disclosure statement. This fee will be added to the balance of my loan.

Late Charges and Collection Costs

If I fail to make any part of an installment payment within 15 days after it becomes due, the holder may collect from me a late charge not to exceed 15% of each late installment, or

a maximum amount of \$15. There may be a charge on non-sufficient funds payments in an amount not to exceed the maximum allowed under the North Dakota Century Code.

If I default on this DEAL Consolidation Loan, I shall pay collection fees and costs, plus court costs. At the time of default, these fees may be assessed up to the maximum amount allowed under the North Dakota Century Code.

Repayment

I am obligated to repay the full amount of the loan and accrued interest. The loan will enter repayment upon disbursement of the loan.

I will repay my loan in periodic installments during a repayment period that begins upon disbursement. The repayment term for each loan may be up to 25 years depending on my balance. The repayment term does not include any periods of deferment or forbearance.

The holder of my loan will provide me with a repayment schedule that identifies my payment amounts and due dates.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the holder will determine how to apply the prepayment.

Acceleration and Default

At the option of the lender, the entire unpaid balance will become due and payable when either of the following events occurs: (i) I make a false representation that results in my receiving a loan for which I am not eligible; or (ii) I default on the loan.

The following events shall constitute a default on a loan: (i) I fail to pay the entire unpaid balance after the holder has exercised its option under the preceding paragraph; or (ii) I fail to make installment payments when due and my failure persists for at least 270 days; or (iii) I fail to comply with other terms of the loan, and SLND-Guarantor reasonably concludes I no longer intend to honor my repayment obligation. If I default, the guarantor may purchase my loan and capitalize all outstanding interest into a new principal balance. The new principal balance and collection fees will become immediately due and payable.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the statement of Borrower's Rights and Responsibilities.

Governing Law and Notices

The terms of this Note will be interpreted in accordance with 15-62.1-02 of the North Dakota Century Code.

If I reside in North Dakota, the guarantor may sue to enforce this loan in any judicial district as allowed by law. Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided to the holder of this Note, or if the holder reasonably determines that this address is no longer my address, to the latest address secured by the holder or other reliable source. Failure by the holder to enforce or insist on compliance with any term on this Note shall

not be a waiver of any right of the holder. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

BORROWER CERTIFICATION

I declare under penalty of perjury under the laws of the United States of America that the following is true and correct:

(1) I certify that the information contained in my application for the DEAL Consolidation Loan is true, complete, and correct to the best of my knowledge and belief and is made in good faith.

(2) I certify that the underlying loans being consolidated were used only for educational purposes.

(3) I authorize Bank of North Dakota, subsequent holders, their agents, collection agencies, or educational institutions to: (i) make inquiries of my cosigner, prior or subsequent lenders or holders with respect to my loan application and related documents; (ii) release information and make inquiries to the persons I have listed on my loan application as references, for the purpose of learning my current address and telephone number; (iii) contact me at any telephone number or e-mail address (whether it is a land line or wireless service) that I have provided or the loan holder receives from any reliable source. I authorize the use of live or automated messages to any of these numbers or e-mail addresses. I understand that persons other than myself may access these messages or e-mails, which may include content concerning my indebtedness.

(4) I also authorize Bank of North Dakota, subsequent holders, or their agents to check my credit and employment history and to answer questions about their credit experience with me.

(5) I authorize the release of information pertinent to this loan by and amongst my schools, Bank of North Dakota, SLND-Guarantor, subsequent holders, and their agents, and members of my immediate family unless I submit written directions otherwise.

(6) I will be responsible for paying the interest on my DEAL Consolidation Loan, which begins to accrue upon my first disbursement. If I fail to make required interest payments while I am in deferment, Bank of North Dakota or subsequent holders may capitalize such interest upon entering into repayment status.

DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL) CONSOLIDATION LOAN

Borrower's Rights and Responsibilities

1. Eligibility. A borrower is eligible for a DEAL Consolidation Loan to consolidate their existing DEAL and non-DEAL private loans. The DEAL and non-DEAL private loans were received only after the borrower had applied for all Federal Title IV aid that the institution's Financial Aid Office had determined that the borrower was eligible to receive. This pertains to all federal loan programs including the Stafford loans, (FFELP and Direct), the Perkins loan, and all of the health professional loans and all federal grant and work-study programs.

2. Change of Status. I must notify Bank of North Dakota or any subsequent holder of my loan if any of the following events occur:

- I change my address, e-mail address, or telephone number;
- I change my name (for example, maiden name to married name);
- I change employer or my employer's address changes; or
- I have any other change that would affect my loan status (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

3. Interest. Interest rate information for this DEAL Consolidation Loan is indicated on the Notice of Loan Guarantee and Disclosure Statement.

I understand that it is my responsibility to pay interest on the unpaid principal amount of the loan from the date of disbursement until the entire principal amount and accrued interest are paid in full. I am responsible for the payment of all interest that accrues on this loan.

4. Deferring Interest Payments. Under certain circumstances, for example during forbearance or deferment, I may not be required to make interest payments, but interest on my DEAL Consolidation Loan will accrue. If this interest is not paid, outstanding interest will be capitalized (added to the principal) when regular monthly payments resume.

5. Sale or Transfer. I consent to the sale or transfer of my loan. Should ownership of a loan be transferred, I understand I will be notified of the name, address, and telephone number of the new holder of my loan, if the address where I make my payments changes. Sale or transfer of my loan to subsequent holders does not affect my rights and responsibilities.

6. Consequences of Default. Default is defined in the Note. If I default, the entire unpaid balance and collection fees will become immediately due and payable. Failure to repay this DEAL Consolidation Loan may result in any or all of the following: loss of state income tax refunds, loss of state lottery prizes, legal action, assessment of collection charges, loss of professional license, loss of eligibility for deferments and forbearances, and negative credit reports.

7. Credit Bureau Notification. Information concerning the amount, disbursement, and repayment of my loan will be reported to one or more national credit bureau organizations. I will be notified at least 30 days in advance that default information will be disclosed to a credit bureau unless I enter into repayment arrangements on the loan within 30 days of the date on the notice. I will be provided an opportunity to a review of the debt before it is reported to any credit bureau. My holder must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of information.

8. Repayment. I am obligated to repay the full amount of the loan and accrued interest. The loan will enter repayment upon disbursement of the loan.

I will repay my loan in periodic installments during a repayment period that begins upon disbursement. The repayment term for each loan may be up to 25 years depending on my balance. The repayment term does not include any periods of deferment or forbearance.

The holder of my loan will provide me with a repayment schedule that identifies my payment amounts and due dates.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the holder will determine how to apply the prepayment.

9. Loan Cancellation. I understand that my loan debt will be canceled if I die. A certified death certificate must be submitted as documentation to the holder of this Note. My loan debt may also be canceled if I become permanently and totally disabled. However, the holder of my loan may not approve the request for cancellation based on permanent and total disability if the condition existed before I applied for this loan.

If the condition did exist, my doctor must certify that the condition substantially deteriorated after the loan was disbursed. An application for cancellation must be submitted to my holder, and documentation verifying the permanent and total disability must be certified by my doctor and accepted by the holder of this loan.

I understand my loan(s) will not automatically be discharged in bankruptcy.

10. Deferments. Under certain circumstances, I have a right to postpone repayment of the principal if I provide the holder of my loan(s), or its servicing agent, with a request for a deferment together with the evidence that verifies my eligibility. The types of deferments that may be available are:

- While I am enrolled at least half-time at an eligible institution;
- While I am pursuing a graduate fellowship program or rehabilitation-training program for individuals with disabilities, if the program has been approved by the Department of Education for the FFEL program;

- For up to three years, while I am conscientiously seeking but unable to find full time employment; or
- While I am experiencing an economic hardship as determined by federal law; or
- While serving on Active Duty during a war or other military operation.

You should contact Bank of North Dakota or the current holder of your loan for more details on your options.

11. Forbearance. If I am unable to make my scheduled payments, the lender or holder of my promissory note may allow me to reduce the amount of my payment or to temporarily stop making payments as long as I intend to repay my loan. This action is called forbearance. During a period of forbearance, interest charges continue to accrue.

My holder is not required to grant a forbearance and may require me to provide my reasons for the request and other information.

PRIVACY ACT DISCLOSURE

The authority for collecting the requested information from and about you is Section 484 (a)(4)(B) of the Higher Education Act of 1965, as amended [20 U.S.C. 1091(a)(4)(B)]. You are advised that participation in the DEAL Consolidation program is voluntary, but the requested information is necessary for participation.

The principle purpose of this information is to verify your identity, to determine your program eligibility and benefits, to permit the servicing of your loan(s), and in the event it is necessary, to locate you and collect on your loan(s) if it becomes delinquent.

The routine uses of this information include its disclosure to federal, state, or local agencies, to private parties, such as relatives, present and former employers, business and personal associates, to guaranty agencies, to credit bureau organizations, to educational and financial institutions, and to agency contractors in order to verify your identity, to determine your program eligibility and benefits, to permit the servicing or collecting of your loan(s), to counsel you in repayment efforts, to investigate possible fraud and to verify compliance with Program regulations, or to locate you if you become delinquent in your loan(s) payments or you default.

You must provide all the information requested in order to have your application processed.

Section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a note) requires that when any federal, state, or local government agency requests that you disclose your Social Security Number (SSN), you must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority your SSN is solicited, and what uses will be made of it.

Section 7(a)(2) of the Privacy Act provides that an agency may continue to require disclosure of your SSN as a condition to grant you a right, benefit, or privilege provided by law in cases in which the agency required this disclosure under statute or regulation prior to January 1, 1975, in order to verify the identity of an individual.

Disclosure of your SSN is required to participate in the DEAL Consolidation Loan program. The Bank of North Dakota has required disclosure of social security numbers on application forms and other necessary bank documents since prior to January 1, 1975.

Your social security number will be used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so data can be accurately recorded. We will also use it to determine your eligibility for the program, to certify school attendance and borrower status, and to determine eligibility for deferment of payments, and disability or death claims. Your social security number will also be used for tracing and collecting from you in the event you default on your loan, and IRS reporting requirements.